

4. Monitoring Performance and Performance Measures

(a) HG Program Evaluations

HG Programs are periodically evaluated in the same manner as other USAID programs. See detailed discussion and guidance on Performance Measurement in the Core Directives, (**particularly Chapter 203: Information for Performance Management**) which are applicable to all USAID programs. In addition, frequently mid-program and end-of-program evaluations are done by parties not directly involved in program implementation (**e.g., representatives from G/ENV/UP, Washington, I.G., G.A.O., etc.**).

G/ENV/UP in coordination with RHUDO's, bureaus and Missions has developed a performance system utilizing performance indicators to measure results and G/ENV/UP reports these results annually and uses them for guidance in determining budget levels and resource allocation. They are also reported in a Management Overview section in the Program's annual FY audit conducted by I.G..

Under guidance from Mission Directors, the RHUDO's together with G/ENV/UP and the SO/RT Teams will continue to improve the HG Performance Monitoring System and develop/refine Performance Indicators to measure achievement results with respect to stated SO's.

Commencing in FY 1996, performance measurement of HG Programs is an integral part of the Results and Resource Package (**R4**) submitted annually by operating units to indicate progress in meeting SO's of the HG Programs. The results report contained in R4 contributes to budget decision-making regarding allocation of resources and also have a bearing on any changes required in the "**management contract**".

(b) Annual Program Reviews

In connection with the annual submission of R4, G/ENV/UP conducts an annual Program of each RHUDO's activity. The review usually takes place over a 3 to 4 day period in Washington or at an overseas location. This affords the participants from Washington and overseas to have a real interchange of ideas with emphasis on results. The primary purpose of the Program Review is to reflect on the overall approach of the RHUDO and SO/RT Teams in addressing housing, environment and urban development issues in the region and to discuss each of the bilateral HG Programs and means through which the

RHUDO is achieving its objectives. Other areas that are addressed are training, evaluations, research, status of developing meaningful performance indicators, personnel, and program and operating budgets.

The Program Review is chaired by the Director (**or Deputy Director**) of G/ENV/UP and attended by staff from RHUDO's, G/ENV/UP Operations, GC/G and the Center for Environment, as well as partners participating in specific HG Programs. Prior to the Review, RHUDO's are asked to prepare concise briefing materials (**which may be primarily based on the types of information contained in R4 and/or the Strategic Plan**). Briefing information usually includes:

- (1) Regional Overview - highlighting major urban and environment trends in the region and discussing how the RHUDO is addressing them;
- (2) Country strategies and SO's;
- (3) Specific strategies on environmental training, disaster prevention and mitigation and other RHUDO areas of focus (**e.g., democratic initiatives**) as applicable;
- (4) Pipeline data on authorized HG's - planned borrowings, and anticipated disbursements;
- (5) Program budgets for previous, current and projected next fiscal years;
- (6) Operating expense budgets for previous, current and projected next fiscal years;
- (7) Mission and bureau resources utilized for previous, current and projected next years;
- (8) RHUDO staffing pattern: direct hire, personal services contractors (**expatriate and local**), institutional contractors and FSN, including end of tour or end of contract dates.

(c) **Annual Financial Statements**

As of fiscal year 19091, the Chief Financial Officers Act of 1990 requires agencies to submit to the Office of Management and Budget (**OMB**) an annual financial statement covering certain types of U.S. Government programs, including guaranty programs such as the HG Program. The financial statements generally have five parts: Overview of the reporting

entity, principal financial statements, notes to principal statements, combination statements, and supplemental financial and management information. The report is generally submitted by June 30 of each year for the previous fiscal year and serves as an important management tool for G/ENV/UP to assess the performance of its programs and progress toward realizing sectoral SO's.

M/LMD, in coordination with G/ENV/UP prepares the financial performance information, and any notes or supplementary information to the financial statements. G/ENV/UP is responsible for preparation of the Management Program Overview which includes comprehensive management discussion and analysis of existing HG programs, including measurement of program results. OMB has issued guidance to agencies on the preparation and content of the annual financial statements which must be followed (**OMB Bulletin No. 93-06: Audit Requirements for Federal Financial Statements**)

Briefly, the Program Overview contains an introduction and description of the HG Program and also information such as the approach or methodology used to develop program performance measurements, the source of data, program highlights, future directions, etc.. RHUDO's, in coordination with Missions and the SO/RT Teams, are responsible for providing to G/ENV/UP the performance indicator information for each of its country programs.

(d) **Audits**

The USAID Inspector General'S Office (**I.G.**) conducts an annual financial audit of the Housing Guaranty Program's financial statements. Usually the I.G. will contract with an accredited accounting firm to perform the audit under I.G. supervision. In addition, the I.G. conducts financial and/or program audits of individual HG programs from time to time, as they deem appropriate.

(e) M/LMD plays a vital role in support of G/ENV/UP in the financial management of the Housing Guaranty HG loan portfolio.